

Department of Transportation

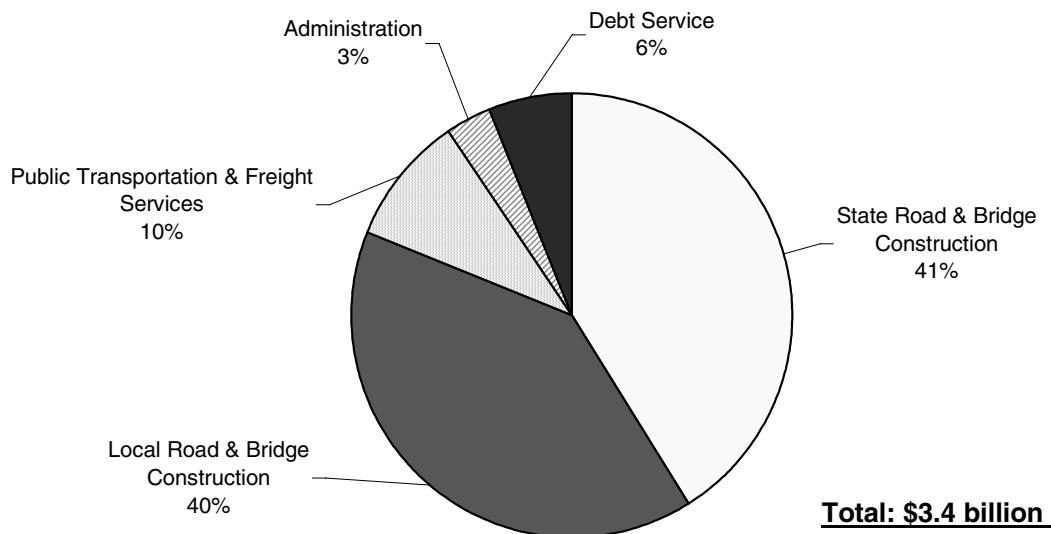
The Department of Transportation is committed to providing high quality integrated transportation services that foster economic development and improve the quality of life for Michigan's citizens. Through investments in the State's network of roads and bridges, public transportation systems, freight development, and aviation support programs, the department works to ensure a safe, efficient, and effective transportation infrastructure. *The Governor's proposed budget for fiscal year 2007 recommends total funding of \$3.4 billion, an increase of 1.6 percent, supported entirely with dedicated funds.*

As part of the department's five-year transportation program, it is anticipated over \$8.9 billion will be allocated for road and bridge construction, maintenance, and safety improvements over the next five years. The Governor's Jobs Today Initiative accelerates 158 new road and bridge projects starting in the current fiscal year, investing an additional \$618 million for critical road and bridge projects across the state.

"The Jobs Today Initiative and the investments we are announcing today will help put more Michigan workers back on the job. Local communities will benefit from transportation system improvements, and our state will benefit from the significant economic impact of the more than 11,000 jobs supported by these projects. "

Governor Granholm, November 17, 2005

Local Roads Receive 40% of Transportation Funds



Budget Highlights - The fiscal year 2007 Executive Budget:

- Provides over \$2.3 billion for state and local road and bridge construction and economic development projects. Local units of government will receive \$1.3 billion to maintain and construct roads and bridges; \$37.9 million for infrastructure improvements targeting economic development; and \$30.5 million for local bridge repairs.

- Allocates \$275.2 million to maintain over 9,700 miles of state trunkline highways, an increase of 5.8 percent over current year levels. Over 52 percent of this funding is spent via contract with local road agencies for critical road maintenance services, including winter and preventative maintenance activities, hot and cold patching, and sign and signal maintenance.
- Continues the Governor's commitment to public transportation by recommending over \$278.8 million for local bus operating assistance and public transportation development programs, including an increase of \$33.4 million for local public transit agencies, specialized services for the elderly and disabled, and transportation to work programs.
- Continues \$8.2 million for rail passenger services, maintaining the Governor's commitment to support funding for the Pere Marquette (Grand Rapids to Chicago) and International (Port Huron to Chicago) lines at current levels. In addition, rail freight services is allocated over \$9.5 million, including an additional \$2.7 million for rail infrastructure and economic development grant and loan programs.
- Includes an overall debt service reduction of \$33.1 million, primarily due to the refinancing of \$400.0 million in previously issued bonds.
- Provides \$4.0 million for the new federal Safe Routes to School program. This program provides grants to state, local, regional agencies, and nonprofit organizations to encourage children to walk and bicycle to school, and to facilitate the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools.

In addition, the Capital Outlay budget recommendation includes \$22.1 million in building and facility projects, including the construction of a new Rosa L. Parks Integrated Transportation Campus in Detroit, and a new transportation service center in Oakland County. The Capital Outlay budget recommendation also provides \$162.9 million for airport safety and protection plan projects at aviation facilities located across the state.

Fiscal Year 2006 Supplemental

In addition to a previously transmitted supplemental request to restore funding for road projects and other key administrative areas, a fiscal year 2006 supplemental of \$3.0 million in federal support is recommended for the Safe Routes to School program to implement this new program in the current fiscal year.

Fiscal Year 2007 Governor's Recommendation
Department of Transportation
(*\$* in Thousands)

	FY05 Appropriation	FY06 Current Law	FY07 Recommended
GF/GP	\$0.0	\$0.0	\$0.0
All Funds	\$3,279,058.1	\$3,387,807.5	\$3,442,385.1
	% Change - GF/GP	0.0%	0.0%
	% Change - All Funds	3.3%	1.6%

Activities	GF/GP	All Funds
GOAL: SUSTAIN AND CREATE BUSINESS INVESTMENT AND JOBS IN MICHIGAN		
State Road & Bridge Construction and Maintenance	\$0.0	\$1,413,969.3
Local Road & Bridge Construction and Maintenance	\$0.0	\$1,340,390.3
Local Bus Operating Assistance & Transit Programs	\$0.0	\$283,258.5
Debt Service Obligations	\$0.0	\$207,620.0
Administrative Support Services	\$0.0	\$86,301.5
Transportation Economic Development Programs	\$0.0	\$42,360.2
Information Technology	\$0.0	\$27,876.5
Intercity Bus & Rail Services	\$0.0	\$17,601.3
Rail Freight Preservation Programs	\$0.0	\$14,414.0
Aeronautics Programs	\$0.0	\$7,693.5
Port Authority & Marine Services	\$0.0	\$900.0
Total FY 2007 Recommendation	\$0.0	\$3,442,385.1

